

FISCAL NOTE

SB 3387 - HB 3785

March 20, 2006

SUMMARY OF BILL: Requires National Guard (NG) members to be eligible for participation in the basic insurance plan (BIP) currently offered to all state employees. Repeals current law requiring the State Insurance Committee (SIC) to approve a group life insurance plan for NG members.

ESTIMATED FISCAL IMPACT:

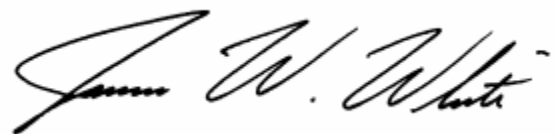
Increase State Expenditures – Exceeds \$4,900,000

Assumptions:

- There are approximately 15,000 NG members in Tennessee.
- NG members receive health insurance benefits paid for by the NG when called into active military duty.
- Approximately 3,000 NG members are activated at any given time.
- BIP offered to 12,000 NG members considered inactive.
- Dependents of inactive NG members excluded.
- Approximately 10% of Tennesseans have no health insurance.
- Inactive NG members have health insurance, by other means, at the same rate as other Tennesseans.
- Approximately 1,200 inactive NG members are estimated to have no health insurance and would take advantage of having it provided through the state (12,000 inactive NG members X 10% = 1,200).
- The average premium for single persons is \$428.73 per month.
- State contribution is 80% (approximately \$342.98 per month).
- The increase to state expenditures is estimated to exceed \$4.9 million (1,200 inactive NG members X \$342.98 per month X 12 months = \$4,938,912).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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